982-83

National Health Service Corps

scholarship program

NEWARK PUBLIC LIBRARY
DEC 3 1982
U. S. GOVT. PUBS.
DEPOSITORY 376

INFORMATION BULLETIN

- 1982-1983 Academic Year -

For Students of

ALLOPATHIC MEDICINE, OSTEOPATHIC MEDICINE, AND DENTISTRY

December 1981

NHSC Scholarship Program
3700 East-West Highway
Hyattsville, Maryland 20782

Office Hours: 8:30-5:00 p.m., Monday through Friday

Toll-free Telephone : (800) 638-0824
From Maryland, Alaska, Hawaii
Call Collect (301) 436-6453

Notice

This Bulletin describes the National Health Service Corps and the National Health Service Corps Scholarship Program in accordance with Federal legislation, Section 331 through 338F of the Public Health Service Act (Title 42 U.S. Code 254d-y), implementing regulations (Title 42, Code of Federal Regulations, Parts 23 and 62), and administrative guidelines in effect as of November 1, 1981.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service
Health Services Administration
Bureau of Health Personnel Development & Service

0157E

HE 20.5011:

CONTENTS

DISCRIMINATION PROHIBITED
INTRODUCTION
1 Program Profile
1 Health Manpower Shortage Areas & the NHSC
2 Program History
2 Program Administration
APPLICANT ELIGIBILITY
3 Materials Required to be Submitted
3 Citizenship
3 Full-time Enrollment in Eligible Schools
4 Enrollment Requirements & Definition of School Year 1982-83
4 Employment Eligibility
5 No Conflicting Service Obligations
SELECTION FOR AWARDS
6 Previous NHSC or EFN Scholarship Recipients
6 Priorities for Awards
6 Ranking Procedure and Criteria
7 Award Notification
BENEFITS
8 Stipend Amount & Method of Payment
8 Payment of Tuition and Required Fees
9 Payment for All Other Reasonable Educational Expenses
9 Suspension of Benefits
9 Veterans Benefits
9 Taxability of Benefits
10 Continuing Support After 1982-83
DEFERMENT OF THE SERVICE OBLIGATION FOR GRADUATE TRAINING
11 General Policy
11 Deferments for Allopathic & Osteopathic Physicians
12 Deferments for Dentists
FULFILLING THE SERVICE OBLIGATION
13 Beginning Date of Obligated Service
13 Licensure
13 Service Assignments
14 Private Practice Provisions
DEFAULTING ON THE SCHOLARSHIP OBLIGATION
16 Failure to Complete Academic Training
16 Failure to Begin or Complete the Service Obligation or to Meet the Terms & Conditions of Deferment
17 Waiver or Suspension
17 Bankruptcy Provision
17 Effect of Default Upon Subsequent Commissioned Service
18 NATIONAL RESEARCH SERVICE AWARDS
18 SPECIAL LOANS FOR FORMER NHSC MEMBERS
19 FREQUENT QUESTIONS ABOUT NHSC SERVICE ASSIGNMENTS
22 SALARY TABLE

CONTENTS

DISCRIMINATION PROHIBITED
INTRODUCTION
1 Program Profile
1 Health Manpower Shortage Areas in the NHSC
2 Program History
2 Program Administration
APPLICANT ELIGIBILITY
3 Waiver Is Required to be Submitted
3 Citizenship
3 Full-time Enrollment in Eligible Schools
4 Enrollment Requirements & Definition of School Year 1982-83
4 Employment Eligibility
5 No Conflicting Service Obligations
SELECTION FOR AWARDS
6 Previous NHSC or EPN Scholarship Recipients
6 Priorities for Awards
6 Ranking Procedures and Criteria
7 Award Notification
AWARDS
8 Scholarship Amount & Method of Payment
8 Payment of Tuition and Required Fees
9 Payment for All Other Reasonable Educational Expenses
9 Suspension of Benefits
9 Waivers of Benefits
9 Transferability of Benefits
10 Continuing Support After 1982-83
OBLIGATION OF THE SCHOLARSHIP FOR GRADUATE TRAINING
11 General Policy
11 Deferments for Additional & Subsequent Obligations
12 Deferments for Residency Training
12 Deferments for Internships
13 Deferments for Active Military Service
13 Deferments for Other Reasons
13 Deferments for Temporary Disabilities
13 Deferments for Pregnancy and Parenthood
14 Deferments for Nursing Service
14 Deferments for Public Health Service
14 Deferments for Service in Underserved Communities
14 Deferments for Volunteer Service
15 Deferments for Hardship
15 Deferments for Other Reasons
15 Deferments for Concurrent Obligations
15 Deferments for Uniformed Services Personnel
15 Deferments for Participants in Comparable Federal Programs
15 Deferments for Participants in Approved State Programs
16 Deferments for Participants in Approved Private Programs
16 Deferments for Participants in Approved Foreign Programs
16 Deferments for Participants in Approved Combinations of Programs
16 Deferments for Participants in Approved Programs Combined with Service
16 Deferments for Participants in Approved Programs Combined with Service
16 Deferments for Participants in Approved Programs Combined with Service

DISCRIMINATION PROHIBITED

Title VI of the Civil Rights Act of 1964 states: "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving Federal financial assistance."

Title IX of the Education Amendments of 1972 and its implementing regulations (45 Code of Federal Regulations Part 86) provide that no person in the United States shall, on the basis of sex, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

Section 504 of the Rehabilitation Act of 1973, as amended, provides that no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

INTRODUCTION

Program Profile

The National Health Service Corps (NHSC) Scholarship Program is a competitive Federal program for students of allopathic medicine, osteopathic medicine, dentistry, and other health professions. The Scholarship award includes the payment of a monthly stipend, tuition and fees, and an amount to cover all other reasonable educational expenses. In return for each year of award, Scholarship recipients must agree to serve 1 year as members of the NHSC providing clinical services in designated health manpower shortage areas of the United States. The minimum service obligation is 2 years.

Health Manpower Shortage Areas and the National Health Service Corps

With the establishment of the NHSC on December 31, 1970, the Congress charged the Public Health Service (PHS) with a major responsibility for alleviating the geographic and specialty maldistribution of physicians and other health practitioners in the United States. One step in fulfilling this responsibility was the designation of critical health manpower shortage areas to which NHSC physicians, dentists, and other health professionals could be assigned to improve the delivery of health services.

In Public Law 94-484, Congress expanded the definition of health manpower shortage areas to include a (1) geographic area, (2) population group, or (3) public or non-profit private medical facility which the Secretary determines has a shortage of health manpower. The criteria for the designation of these new areas were published in the Federal Register January 10, 1978. These criteria include practitioner-to-population ratios, infant mortality rates, health status, access to health services, and other indicators to determine which areas have a shortage of health manpower. The most current list of health manpower shortage areas, published annually, appears in Part II of the May 8, 1981, issue of the Federal Register. Of those areas requesting NHSC personnel, those which are approved and have the greatest need receive priority over other requests when practice sites for Scholarship Program participants are determined.

Although the Scholarship Program provides funds to support professional education, its primary purpose is to staff the National Health Service Corps, enabling it to carry out the health care objectives mandated by the American people through their elected representatives in the Congress. Accordingly, the PHS welcomes students to participate in the Scholarship Program who seriously want to practice primary care medicine or dentistry in Health Manpower Shortage Areas of the United States.

Program History

Effective October 1, 1977, the NHSC Scholarship Program replaced the Public Health and NHSC Scholarship Training Program (PHS Scholarship Program) in effect from 1973 through 1977. The 1978-79 school year was the first award cycle for the NHSC Scholarship Program. For 1980-81 scholarships, about 3,800 medical/osteopathic and 1,500 dental students submitted applications that were complete and otherwise eligible for consideration in the selection process. Of these, approximately 1,400 medical/osteopathic applicants and 160 dental applicants received awards. For the 1981-82 school year, first-time awards were limited to 162 former participants in the Scholarship Program for First-Year Students of Exceptional Financial Need. Since the beginning of the Program, 12,447 students of medicine, osteopathy, and dentistry have received a total of 31,400 first-time and continuation Scholarship awards.

Program Administration

The PHS of the Department of Health and Human Services (HHS) consists of six operating agencies: the Centers for Disease Control; the Food and Drug Administration; the National Institutes of Health; the Health Resources Administration; the Health Services Administration; and, the Alcohol, Drug Abuse, and Mental Health Administration.

The Scholarship Program is administered by the Division of Health Services Scholarships, Bureau of Health Personnel Development and Service of the Health Services Administration. The National Health Service Corps, the organizational component which employs and assigns Scholarship participants to practice sites at the completion of their training, is also administered by the Bureau of Health Personnel Development and Service.

APPLICANT ELIGIBILITY

In the event that funds are available for new awards, students meeting all of the following requirements are eligible to compete for Scholarship awards. These requirements are also applicable to individuals who plan to practice -- or are assigned to practice in fulfillment of their service obligations -- under the private practice provisions described on pages 14 and 15 of this Bulletin.

Materials Required to be Submitted

To be considered for participation in the Scholarship Program, a student must submit a completed application, a signed contract agreeing to the terms of the Scholarship award, and other materials that may be required for the selection process. Deadlines for the submission of these materials are announced in the cover memorandum accompanying application packets.

Application packets may be obtained from the Scholarship Program until 2 weeks prior to the announced deadline for submission of applications, allowing applicants adequate time to review and evaluate their prospective participation in the Scholarship and NHSC Programs.

Students who have submitted applications to the Scholarship Program in the past and did not receive or accept an award, must nevertheless complete a new application and submit any required supporting documentation. Earlier applications have no bearing upon selection for a 1982-83 award and are no longer on record.

Students already participating in the Scholarship Program who are requesting continuation for another year are not required to submit new applications. (See page 10.)

Citizenship

Scholarship recipients must be citizens or nationals of the United States at the time they apply for Scholarship Program awards. Permanent resident aliens, and other aliens, are not eligible for awards.

Full-time Enrollment in Eligible Schools

To be eligible to receive Scholarship awards, students must be enrolled, or accepted for enrollment, as full-time students for the 1982-83 school year (1) in an accredited educational institution in a State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands; and, (2) pursuing the M.D., D.O., D.M.D. or D.D.S. degree in a program accredited by the Liaison Committee on Medical Education, the American Osteopathic Association, or the Commission on Dental Accreditation, as appropriate. Students attending medical, osteopathic, or dental schools outside of the geographic areas stated in (1) above are not eligible to receive awards, even though they may be citizens of the United States.

Students pursuing professional curriculums designed to be completed in more than 4 years will be considered eligible to receive awards for only the last 4 years of their course of study.

Applicants planning to attend or attending schools whose accreditation is not recognized by the Secretary of Education at the time they apply are not eligible for awards during the 1982-83 school year.

Enrollment Requirements & Definition of School Year 1982-83

The Scholarship Program defines the 1982-83 school year as all or any part of the period from July 1, 1982, through June 30, 1983. Students receiving 1982-83 Scholarship awards must be enrolled or accepted for full-time enrollment and attending classes for any part of the period July 1, 1982, to December 31, 1982. Students starting classes after December 31, 1982, are not eligible for 1982-83 awards. Students who are initially eligible for Scholarship awards and are selected to the 1982-83 Program, but later find that they will not be attending school full-time until after December 31, 1982, become ineligible for support and must reapply to the Program if they wish to be considered the following school year.

Employment Eligibility

Scholarship Program participants must be eligible at the time of obligated service to be employed either as officers in the Commissioned Corps of the PHS or as civilian members of the Federal civil service. Employment under either personnel system will have no effect upon the type of service assignment or the duties to be performed.

COMMISSIONED CORPS OF THE PHS: The Commissioned Corps of the PHS is under the jurisdiction of the Secretary of HHS and is one of the uniformed services of the United States. Pay grades and benefits are virtually the same as those of the military services. Physicians and dentists who enter the Commissioned Corps are normally appointed as Senior Assistant Grade Officers, equivalent to the Army rank of Captain. (See current salary and benefits table on last page of this Bulletin.) Appointments to the Commissioned Corps are generally limited to individuals under 44 years of age. Participants who apply to enter the Commissioned Corps for their period of obligated service and who do not meet the physical examination and other standards for appointment may be employed by the NHSC in the Federal civil service or be assigned to practice under the Private Practice Provision.

Active service for 2 years or longer as a commissioned officer in the PHS is deemed to be active military service for the purposes of Selective Service and also establishes eligibility for certain benefits administered by the Veterans Administration.

FEDERAL CIVIL SERVICE: Federal civil service is the employment system for most non-uniformed employees of the Federal Government and is one of the options for employment during the period of obligated service. Civil service salaries for entering physicians and dentists are at the General Schedule 11, 12, or 13 level, depending upon experience. (See current salary and benefits table on last page of this Bulletin.) Civil service employment for NHSC assignees who have been Scholarship recipients is under non-competitive, excepted appointment authority and is limited to a maximum of 4 years.

Scholarship Program participants entering their service obligations will be given current information about both the PHS Commissioned Corps and Federal civil service employment systems and will be asked to indicate under which system they wish to be employed.

Further information about the Commissioned Corps and Federal civil service appointments may be obtained by calling the NHSC toll-free at (800) 638-6730. From Maryland, Alaska, and Hawaii, call collect (301) 443-3497.

No Conflicting Service Obligations

Students already obligated to a State or other entity for professional practice after academic training are not eligible for NHSC Scholarship awards unless they have ascertained that there is no potential conflict in fulfilling the service obligation to the Scholarship Program, and that the Scholarship Program service obligation can be served first.

Scholarship recipients entering other service obligations, or who otherwise are not immediately available after authorized training deferments to fulfill the Scholarship service obligaton, are in default of their Scholarship Program contracts (see page 15 of this Bulletin).

Scholarship Program participants should not presume that they will be assigned for service in a State, community, or medical facility to which they may already owe an obligation for service. The national staffing needs of the NHSC preclude any such advance assignment commitments to Scholarship Program participants.

SELECTION FOR AWARDS

Previous NHSC or EFN Scholarship Recipients

Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981, enacted on August 13, 1981, authorized the Congress to appropriate funds for awards to current participants wanting to continue support for the 1982-83, 1983-84, and 1984-85 school years and for up to 550 new National Health Service Corps (NHSC) Scholarships in each of these years. Funds for the 1982-83 school year, however, are expected only to continue current participants. Any remaining funds may then be used for awards to previous recipients of awards under the Scholarship Program for First-Year Students of Exceptional Financial Need (EFN). If funds are insufficient to grant awards to all eligible EFNs, these applicants are subject to the competitive selection priorities and ranking procedures described below.

Priorities for Awards

SCHOOL YEAR PRIORITIES: Seventy percent of the competitive awards will be made available to students entering their second year, and 30 percent to those entering their third year. Applicants entering their fourth year of training will be considered only if an insufficient number of second and third year students qualify for awards.

SPECIALTY PRIORITIES: Of the above applicants, additional consideration for selection will be given to medical and osteopathic students who intend to obtain specialty training in family practice, general internal medicine, general pediatrics, obstetrics-gynecology, psychiatry, or osteopathic general practice residencies following graduation, and to dental applicants who intend to enter general practice training following graduation or who plan no postgraduate training.

Ranking Procedure and Criteria

Applications from eligible former EFN students in each of the two priority class years and with the postgraduate intentions noted above will be scored according to the extent to which they reflect the criteria listed below and ranked within each class year.

The criteria which determine an applicant's score are:

CAREER GOALS - the applicant's expressed intent to enter into a primary care practice in an urban or rural health manpower shortage setting following the period of obligated service.

WORK EXPERIENCE - the extent to which an applicant's work background has included salaried or volunteer experience in medically underserved rural or urban settings.

COMMUNITY BACKGROUND - the extent to which an applicant has resided in a medically underserved urban or rural area.

ACADEMIC PERFORMANCE - for dental applicants only, transcripts and DAT scores will be considered.

Award Notification

NOTIFYING OF AWARD STATUS: After selections are determined, primary awardees and alternates are sent Mailgram notices of their status, after which they have 15 days to withdraw completely from the Scholarship competition. Applicants not designated as primary awardees or alternates are notified of their non-selection.

PROMOTING ALTERNATES TO AWARDEES: About 20 days following the Mailgram notification, if primary awardees have withdrawn, the Program will notify the equivalent number of top-ranking alternates of their promotion to awardee status. Shortly thereafter, low-ranking alternates who the Program determines have no likelihood for receiving an award may be notified of their status and dropped from further consideration. The remaining alternates may be promoted to full awardee status as late as September 30, 1982.

BENEFITS

The financial benefits of Scholarship Program awards are contingent upon the availability of funds appropriated by the Congress of the United States.

Participation in the Scholarship Program becomes effective when the Secretary has approved and signed contracts with Scholarship Program participants.

Stipend Amount and Method of Payment

During the 1982-83 school year (July through June), the Scholarship Program will pay directly to each recipient a stipend of $556 at the end of each month. The amount of the stipend will be adjusted each July to reflect any cost-of-living increases in Federal General Schedule salaries enacted the previous October. The 1982-83 stipend reflects a 4.8 percent increase, enacted in October 1981, over the $530 monthly stipend paid during the 1981-82 school year.

The first stipend checks for new awardees will be retroactive to July 1, 1982. The date that the first checks will be issued is given in the cover memorandum accompanying application packets.

Receipt of a Scholarship award does not constitute employment; therefore, the benefits of Federal employment outlined on the benefits table on the last page of this Bulletin apply only to periods of obligated service and not to periods of education and residency training.

Payment of Tuition and Required Fees

In addition to the stipend, the Scholarship Program will make a direct payment to the participant's school for the tuition and required fees for the 1982-83 school year ordinarily billed to the student. The school will be officially notified of the student's participation in the Scholarship Program and authorized to bill the Scholarship Program directly for academic periods beginning July 1 or later. The school will be requested to submit one bill to the Scholarship Program for the entire school year. Awardees who may have made 1982-83 tuition and fee payments prior to entering the Scholarship Program are ordinarily reimbursed by the school after it has received payment from the Scholarship Program. Payment will not be made for tuition and fee items unrelated to the degree program, for membership dues for student societies, associations, and similar expenses, or for school terms that begin before July 1, 1982.

Receipt of an NHSC Scholarship award does not preclude a participant from receiving funds from other programs. Since many Federal student assistance programs are based on financial need, however, the school will receive a list of Scholarship Program recipients to enable officials to reevaluate the financial need of recipients receiving funds under other Federal programs. When continuation of other Federal funds is not warranted, the school is required to terminate their payment. Applicants receiving these funds should contact their financial aid officers to see what action may be taken in the event they are awarded Scholarships.

Payment for All Other Reasonable Educational Expenses

The Scholarship Program will also pay directly to the student an amount to cover all other reasonable educational expenses, such as books, equipment, and supplies. Excluded are items of a personal or recreational nature, such as motor vehicle registration, school parking fees, transcripts, room-and-board, membership dues for student associations, and similar expenses. The amount of the payment will be based upon average educational expenses, as determined by school officials, for all students in the Scholarship recipient's degree program and class year. The Scholarship Program will not pay any additional funds for expenses incurred by the recipient over this average amount or for changes in the amount reported by the schools after May 1, 1982.

Suspension of Benefits

The Scholarship Program will suspend the payment of all benefits for the period of time that (1) the school has approved a participant's leave-of-absence for health or other reasons, or (2) a recipient's graduation is delayed by a requirement to repeat course work for which the Scholarship Program has previously paid the tuition and provided stipend support.

A participant is required to notify the Scholarship Program when leave-of-absence or repeated course work is expected. The participant is also required to obtain a letter from the school approving the leave-of-absence or verifying that course work is to be repeated. Benefits that are suspended will not resume until the Scholarship Program is notified by the school that the participant has returned full-time to the course of study for which the Scholarship was awarded.

If repeated course work does not delay graduation but is taken in addition to the student's normal full-time course load, the Scholarship Program will pay tuition and fees only for the non-repeated courses. Payment of the stipend will not be affected in this case.

Veterans Benefits

Educational benefits from the Veterans Administration (G.I. Bill) may continue along with Scholarship Program funds, since these benefits were earned by prior active duty in a uniformed service.

Taxability of Benefits

Benefits of stipends paid by the Scholarship Program to first-time award recipients in 1982-83 or later are subject to Federal income taxation. Scholarship recipients who entered the Program prior to the 1981-82 school year and who are continuing in the Program are exempt from Federal taxation until December 31, 1984. Inquiry should be made in the respective States about the liability of Scholarship Program benefits for State taxation.

Continuing Support After 1982-83

The Scholarship Program contract is for the 1982-83 school year only, but Scholarship awards can be renewed annually at the request of the participant if the Congress appropriates funds for the Program and if the participant meets the following criteria:

CONTINUED ELIGIBILITY:

Participants must continue to meet the eligibility requirements for participants on pages 3-5 of this Bulletin.

TIME TO GRADUATION:

Participants who, on June 30 of any school year, have 6 months or more to their date of graduation, may sign 1-year contracts and receive 12 months of support. These students will incur an additional year of service obligation. Participants who, on June 30, have less than 6 months to their date of graduation, may sign 1-year contracts, but can receive support only to their date of graduation. These students will also incur an additional year of service obligation, even though they have received a partial year of support.

LIMITATION OF SUPPORT:

Requests for continuation of Scholarship awards will not be approved if the continuation award would exceed the 4-year limit of Scholarship support established by law.

Each year, the Scholarship Program will mail to participants a form enabling them to request continuation in the Scholarship program for another year. Eligible requests will be given priority for funding before any new applications are considered.

DEFERMENT OF THE SERVICE OBLIGATION FOR GRADUATE TRAINING

General Policy

The purpose of the deferment period is to permit scholarship recipients to complete internships, residencies, or other advanced clinical training. For students of medicine (allopathic and osteopathic) and dentistry deferments will be approved only for training which is in an annually approved specialty and which satisfies the training requirements for certification by the appropriate certifying board of the health professions specialty. During deferment, participants do not receive Scholarship Program support, nor do they incur additional Scholarship Program service obligation.

NOT CREDITABLE: Periods of postdoctoral training will not count toward satisfying the Scholarship service obligation even though the training may occur in a facility located in a shortage area and providing health care to underserved people.

CONDITIONS OF DEFERMENT: The terms and conditions of deferment require participants: (1) to pursue training which is approved for deferment by the Scholarship Program and which does not incur a conflicting service obligation; (2) upon graduation, to begin full-time training in a program which is approved by the Liaison Committee on Graduate Medical Education, the American Osteopathic Association, or the Commission on Accreditation of the American Dental Association; (3) to provide annually a current copy of the postdoctoral training agreement or equivalent evidence of training; (4) to make no change in the type or period of training without written approval of the Scholarship Program; and, (5) to notify the Scholarship Program of their current mailing address or change in their training location. Participants who fail to comply with the terms and conditions of deferment may be considered in breach of contract and subject to the financial liability described on page 16.

Deferments for Allopathic and Osteopathic Physicians

All physicians must take at least one year of advanced clinical training before beginning the period of obligated service. Allopathic physicians who elect to pursue one year of training must do so only in the approved specialties, exclusively or in combination, of internal medicine, family practice, or pediatrics. Osteopathic physicians may elect to take the rotating osteopathic internship, or may also choose to pursue the aforementioned allopathic clinical training programs. If the Scholarship Program recognizes any other programs for one year of deferment, recipients will be notified approximately one year prior to graduation.

Allopathic and osteopathic physicians who elect one-year residencies will perform their service obligations as general practitioners. If the entire training was not in a categorical family practice, general practice, internal medicine, or pediatrics residency, and if the NHSC determines that the training has not adequately prepared the physician to perform the service obligation as a general practitioner, the individual will be required to receive additional primary care training before beginning the obligated service.

One year of advanced clinical training is a minimal requirement. The service obligation, however, may be deferred for up to three years to complete the training required for eligibility for specialty board certification in the primary care fields of internal medicine, family practice, pediatrics, and osteopathic general practice. Osteopaths may be deferred to complete the aforementioned allopathic residencies after completing the rotating osteopathic internship or they may opt to pursue ostopathic internal medicine or pediatrics. In general, physicians will be expected to function as general practitioners during the period of obligated service, including specialists in internal medicine and pediatrics. Recipients will receive information one year prior to graduation regarding specialties approved by the Scholarship Program that may be completed within three years.

By law, the period of deferment to complete graduate training programs may be longer than three years if the NHSC designates that a particular specialty is needed by the NHSC to fulfill its mission to deliver primary care to national Health Manpower Shortage Areas. This determination is made on an annual basis. Currently, only obstetrics-gynecology and psychiatry are designated specialties. Deferments may exceed three years for training in these specialties. Recipients will receive information one year prior to graduation regarding approved specialties.

Physicians who fail to complete an approved internship, or who elect to pursue training not approved by the Scholarship Program, or who otherwise do not abide by the terms and conditions of the Program, will be subject to the default provisions described on page 16.

Deferments for Dentists

Dental Scholarship recipients may begin their obligated service upon completion of their degree programs without receiving any advanced clinical training. However, one-year deferments may be approved for training in accredited programs of general dentistry and dental general practice. Recipients will be notified approximately one year prior to graduation of advanced clinical training programs that may be approved by the Scholarship Program.

Dentists who elect to pursue training programs not approved by the Scholarship Program or otherwise do not abide by the terms and conditions of the Program will be subject to the default provisions described on page 16.

FULFILLING THE SERVICE OBLIGATION

Scholarship Program participants are obligated for 1 year of full-time clinical practice of their profession in federally-designated Health Manpower Shortage Areas for each year of Scholarship support they receive, with a minimum service period of 2 years.

Beginning Date of Obligated Service

The period of obligated service will begin on the date of appointment to Federal service or the date of an agreement to enter private practice (see pages 14 and 15).

Licensure

Federally employed NHSC health professionals must obtain a license to practice their professions from any State board of licensure before the period of obligated service begins. They must also obtain a license from the State to which they are assigned within 1 year after the assignment begins. Application to meet the State licensure requirements should be made prior to assignment.

Service Assignments

Locations for Scholarship Program participants to fulfill their service obligations will be in those designated health manpower shortage areas with the greatest need at the time of assignment. Since health manpower shortage area designations and priorities continually change, assignments cannot be made until approximately 6 months prior to a participant's availability for service. The NHSC will attempt to match assignment preferences, especially when there is likelihood that participants will continue to practice in the shortage areas after their service obligations are completed. However, to comply with legislative requirements and to avoid staffing imbalances, the NHSC reserves the right to make final decisions on assignments.

Potential obligated service assignment locations include a limited number of designated health manpower shortage areas which are facilities of the Indian Health Service and Federal prison facilites staffed by the Bureau of Medical Services.

The law governing the Scholarship Program provides the Secretary of HHS with authority to detail a participant who is a Federal employee to serve part or all of the period of obligated service as a full-time member of the participant's profession in a unit of the Department of HHS other than the NHSC if it is determined that there is no need in a shortage area for a member of the profession in which the participant is obligated to provide service. This aspect of the law, however, has never been exercised and remains unlikely to be implemented.

The following table shows the schedule of placement activities for Scholarship Program participants in fulfilling their service obligations.

SCHEDULE OF PLACEMENT ACTIVITIES

NHSC Actions	When?
NHSC contacts Scholarship Program participants due for service the following year for submission of Site-Selection Questionnaire.	About 12 months prior to start of service.
NHSC sends participants information on fulfilling service obligations in the PHS Commissioned Corps, Federal civil service, or in private practice (see Private Practice Provisions below).	About 9 months prior to start of service.
Participants state preference for PHS Commissioned Corps or Federal civil service.	At least 6 months prior to start of service.
Participants state preference for service as non-Federal NHSC members under the Private Practice Provision.	At least 90 days prior to start of service.
NHSC notifies participants of their service employment type.	At least 60 days prior to start of service.

Private Practice Provisions

Section 338C of the PHS Act provides that Scholarship Program participants may request release from all or part of their service obligation to enter written agreements with the Secretary of HHS to engage in the full-time private clinical practice of their profession. This practice must be in a designated health manpower shortage area that meets the regional placement priorities of the PHS.

In addition to the service option afforded by the Private Practice Provision, Section (B) of new Scholarship Program contracts beginning in the 1980-81 school year or later provides that the NHSC may also assign Program participants to this type of practice in those instances where the Secretary of HHS has determined that these assignments are necessary. Accordingly, under section 338C, these Scholarship Program participants may either engage in private practice or be assigned to engage in such practice.

Although Scholarship Program participants may exercise or be assigned the alternative for fulfilling the service obligation under the Private Practice Provision, they must first meet the employment eligibility requirements of the Commissioned Corps or the civil service.

Participants who have completed two years of their service obligation may apply for loans of up to $25,000 if they participate in the Private Practice Option. (See page 18 of this Bulletin under "Special Loans for Former NHSC Members.")

Further information about the Private Practice Provision may be obtained by calling the NHSC toll-free at (800) 638-7444. From Maryland, Alaska, and Hawaii, call collect (301) 436-5665.

(For information on satisfying the service obligation under the National Research Service Award Program, see page 18.)

DEFAULTING ON THE SCHOLARSHIP OBLIGATION---BREACH OF CONTRACT

Failure to Complete Academic Training

Participants who are dismissed for academic or disciplinary reasons, or who voluntarily terminate academic training before graduation from the educational program for which the Scholarship was awarded will be liable to the United States for repayment at no interest of all Scholarship Program funds paid to them and to the school on their behalf. In lieu of repayment, the service obligation may not be performed in the practice of a profession other than the one for which the Scholarship was awarded.

Financial repayment satisfies any service obligation incurred by participation in the Scholarship Program. Payment must be made within 3 years from the date academic training terminated. No interest is charged on any part of this indebtedness to the United States within the 3-year period.

Failure to Begin or Complete the Service Obligation or to Meet the Terms and Conditions of Deferment

Participants who breach their contracts by failing to begin or complete their service obligation for any reason other than failure to complete academic training, or who fail to comply with the terms and conditions of deferment, are liable to repay three times the amount of all Scholarship funds paid to them and to the school on their behalf, plus interest, as determined by the formula

$$A = 3\phi\,\frac{(t-s)}{t}$$

in which:

'A' is the amount the United States is entitled to recover,

'ϕ' is the sum of the amounts paid to or on behalf of the applicant and the interest on such amounts which would be payable if, at the time the amounts were paid, they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

't' is the total number of months in the applicant's period of obligated service, and

's' is the number of months of the period of obligated service served by the participant.

The amount which the United States is entitled to recover shall be paid within 1 year of the date on which the applicant failed to begin or complete the period of obligated service, or failed to meet the terms and conditions of deferment, or such longer period beginning on the date specified by the Secretary of HHS.

Waiver or Suspension

Participants may submit written requests to the Scholarship Program for partial or total waiver or suspension of their service or financial obligation. These requests must state the underlying circumstances and be supported by documentation for consideration by the Secretary of HHS.

A waiver or suspension may be granted in cases where fulfillment of the service or financial obligation would be impossible, or would involve extreme hardship, and if enforcement would be unconscionable. In the event of a participant's death, any financial obligation to the Scholarship Program will be canceled.

In determining whether to waive or suspend a participant's obligation, the Secretary will take into consideration such factors as present financial resources and obligations, estimated future financial resources and obligations, and problems of a personal nature, such as physical or mental disability, which intrude on the participant's ability to serve or repay.

Bankruptcy Provision

The repayment obligation of a participant who breaches the Scholarship Program contract may not be discharged in bankruptcy until 5 years after the date on which the repayment obligation is due.

Effect of Default Upon Subsequent Commissioned Service

Medical and osteopathic participants who default on their service obligations will not be appointed (or reappointed) to the Commissioned Corps of the PHS for at least 5 years or twice the period of obligated service owed, whichever is greater, after the date of the breach of the Scholarship Program contract.

NATIONAL RESEARCH SERVICE AWARDS

Section 338B of the PHS Act provides that Scholarship Program participants who apply for, receive, and accept an individual or institutional postdoctoral fellowship under the National Research Service Award (NRSA) Program will receive credit towards their Scholarship Program service obligation for periods of time they are engaged in activities that meet the service requirements of the National Research Service Award Program, as stated in Section 472 of the PHS Act. Failure to fully satisfy the length of the service obligation incurred under the Scholarship Program will invoke the penalty for failure to complete the service obligation described on page 16 of this Bulletin. Regulations governing the NRSA Program as it relates to NHSC Scholarship recipients are currently being developed. Further information may be obtained by calling the Scholarship Program regarding deferment of the Scholarship service obligation.

SPECIAL LOANS FOR CURRENT AND FORMER NHSC MEMBERS

Scholarship Program participants who have completed at least 2 years of the period of service obligation as members of the NHSC, including practitioners under the Private Practice provisions, may apply to enter an agreement with the Secretary of HHS to (1) engage in full-time clinical private practice for a least 1 year in a designated health manpower shortage area in exchange for a loan of $12,500 to establish such practice, or to (2) engage in private practice for at least 2 years in a designated health manpower shortage area in exchange for a loan of $25,000. Such loan may not be used for the purchase or constructions of any building, but may be used for equipment, building renovation, and personnel.

This provision is authorized by Section 338E of the PHS Act. The availability of these loans is contingent upon the appropriation of funds.

FREQUENT QUESTIONS ABOUT NHSC SERVICE ASSIGNMENTS

What rules and policies govern the practice policies of NHSC professionals in service assignments?

Current practice policies are subject to change by the time 1982-83 Scholarship Program participants are available for service.

Accountability - NHSC members are accountable both to the community project in which they practice and to the Federal Government. To this end, every assignment is covered by a Memorandum of Agreement (MOA) between the community or project and the NHSC, which places the NHSC health professional in the community setting and makes each NHSC member accountable to the appropriate local Project or Board Director. Part of the MOA is the Principles of Practice, which defines the NHSC member's role in a particular health setting. Personnel issues, such as pay, leave (vacation), continuing education, insurance, and travel, are handled by the NHSC staffs of the ten Federal Regional Offices. Regional staffs also supervise and support the activities of the NHSC professionals on site and serve as consultants and counselors to them when necessary.

State Credentials - Health professionals practicing in the NHSC must be licensed in some State and are expected to be licensed within 1 year in the State to which they are assigned to practice. Further, NHSC health professionals must comply with the professional practice laws of the State to which they are assigned. Application to meet the State licensure requirements should be made prior to or as soon as possible after acceptance of assignment.

Practice Time - NHSC health professionals are expected to adequately serve the health care needs of the site, and will spend at least 40 hours per week in practice-related activities.

Productivity Standards - NHSC members are expected to achieve reasonable standards of productivity in their ambulatory care activities. These standards include a minimum of 4,200 patient encounters per year for a physician and 2,400 patient encounters per year for a dentist.

Continuing Professional Education - NHSC health professionals are eligible to apply for 5 days of continuing professional education per year for which they will receive travel, per diem, and registration allowances not to exceed $600.

Practice Coverage - Coverage for the practice when an NHSC member is on leave or during unscheduled hours is specified in the Principles of Practice for the site. These may include direct coverage by another NHSC health professional, a physician extender, a non-NHSC practitioner, a hospital emergency room, or any other means agreeable to the NHSC professional and the community or project.

Will the NHSC require me to serve in an area which I have not chosen or where I don't want to go?

Individuals have the opportunity to indicate geographic preferences for assignment purposes. In the past, many individuals have received their primary geographic choices; however, geographic assignments are dependent upon national needs, priorities, and program goals. Once geographic assignments are made, those persons who are unable to match, or unwilling to match of their own volition, to a priority shortage area site will be assigned to a site according to the needs of the NHSC and pending their acceptance by the community.

The purpose of the NHSC and the Scholarship Program is to provide health care to people in Health Manpower Shortage Areas. Furthermore, the law specifically states that priority shall be given to areas, population groups, medical facilities or other public facilities with the greatest health manpower shortage. Normally, the process of matching an individual to an NHSC practice site allows each person to discuss the clinical practice and the geographical characteristics of available sites with NHSC regional staff members and to make one site-matching trip at Government expense to evaluate and choose among sites with vacancies within the geeographic area to which they have been referred for placement. The final step in this matching process is the acceptance of an individual by a site.

The NHSC process is designed to allow Scholarship recipients to choose among available sites. As specified in the law, priority in placements must be given to the health manpower shortage areas with the greatest need. As the number of NHSC and private practitioners practicing in shortage areas fluctuates, so does the list of available priority areas. During the 1980-81 placement cycle, top priority was given to areas with high need and large numbers of migrant farm workers. Secondary priority was given to grant-supported projects, such as Community Health Centers which have a high degree of need as shown by indicators, such as infant mortality or number of inhabitants with incomes beneath the proverty level and which are located in a high priority Health Manpower Shortage Area.

Individuals can also serve their obligation through the Private Practice Provision. This provision entails the full-time clinical practice of an assignee's profession in a designated Health Manpower Shortage Area. Some restrictions may be placed on a Scholarship recipient's ability to choose the area where the service obligation will be performed, dependent upon national needs at the time the service obligation begins.

I am married. What consideration will be given in placement to the needs of my spouse for employment, schooling, etc.?

The process of site matching allows individuals to discuss site locations with knowledgeable regional office staff and to do individual investigation of local schools and job opportunities relevant to each location as a part of the process of narrowing down available sites during the site-matching visit. The responsibility for identifying the needs of one's spouse and finding resources which meet those needs lies with you and your spouse. The regional office staff to which you are assigned will attempt to assist in meeting those needs insofar as available sites and the needs of the NHSC allow.

In cases where spouses are employed in jobs or in schools or in residency programs which they do not wish to leave, available sites and the needs of the NHSC are the determinant in making assignments, but regional office staff will take individual needs into account to the degree possible.

In cases where spouses have scholarship obligations to the Armed Forces, it has been possible to work out adjacent locations. Often, however, persons with Armed Forces obligations will not know where they are to be assigned until well after the date set for completion of NHSC matching. Depending on the vacancies in shortage areas and individual situations, NHSC personnel may be considered for reassignment to other health service sites upon request. NHSC members are not assigned outside of the United States, its Commonwealths and Territories.

Feder.

COMPARISON OF PHS COMMISSIONED CORPS AND FEDERAL CIVIL SERVICE BENEFITS
DURING NHSC SCHOLARSHIP SERVICE PERIOD
All Amounts and Descriptions are Approximate as of October 1981 and Subject to Annual Changes

	COMMISSIONED CORPS	CIVIL SERVICE
SALARY	Physicians (O-3 General Medical Officer) With one year of postdoctoral training: (Physicians completing residencies will be commissioned at the O-3 level & eligible for promotional consideration after 6 mos. on active duty.) Dependents: None / One or More Base Pay (O-3) $16,750.80 / $16,750.80 Food & Housing* 4,934.28 / 5,823.48 Variable Special Pay 5,000.00 / 5,000.00 Retention Special Pay 9,000.00 / 9,000.00 Total Gross Pay $35,685.08 / $36,574.28 Add if Board Certified: $2,000/year Dentists (O-3 General Dental Officer) With professional degree only or with one year of postdoctoral training: Dependents: None / One or More Base Pay (O-3) $16,750.80 / $16,750.80 Food & Housing* 4,934.28 / 5,823.48 Incentive Pay 1,200.00 / 1,200.00 Total Gross Pay $22,885.08 / $23,774.28 * - Not Subject to Federal Income Tax	Physicians (General Medical Officer) With one year of postdoctoral training: GS - 11, Step 10 $29,854 With residency training, may qualify for appointment at these higher grades, depending upon the position to which assigned. Grades are determined at the Regional level and are not guaranteed. GS - 12, Step 10 $35,781 (Approx.) GS - 13, Step 10 $42,546 Dentists (General Dental Officer) With professional degree only, or 1 year of postdoctoral training: GS - 11, Step 01 $23,566 NOTE: NHSC physicians & dentists are employed under non-competitive Schedule "A" Authority limited to a 4-year appointment without tenure or retirement provisions, except for Social Security participation. Perquisites of incentive pay, subsistence, housing allowance and military PX/Commissary privileges are not available. Entire salary is taxable.
YEARLY LEAVE	Vacation: 30 days. Sick Leave: Granted as needed.	Vacation: 13, 20, or 26 working days depending on length of service. Sick Leave: 13 working days per year.
HEALTH BENEFITS	Officers: Non-contributory total medical and dental care. Dependents: Comprehensive medical care at Uniformed Services facilities or CHAMPUS	Joint contributory system providing a choice of various hospital, medical, and surgical benefit plans, including HMOs. Workmen's compensation for on-the-job injuries.
LIFE INSURANCE	Serviceman's Group Life Insurance (SEGLI)-$20,000 convertible term available at $3 a month. Death gratuity for family of active duty officer: 6 months base pay, not to exceed $3,000. Increased benefits are anticipated for 1982.	Convertible term available in amount equal to current salary plus $2,000 rounded to next higher thousand. An additional $10,000 policy may be purchased. Inexpensive contributory program.
RETIREMENT	Non-contributory retirement system with 20-30 year option; benefits limited to 75% of base at time of retirement after 30 years; 50% after 20 years. Also covered under FICA/Social Security monthly salary deductions.	NHSC members if employed under Schedule "A" authority, are eligible for Social Security only. (Not eligible for participation in retirement plan for Federal civil service employees.)
AGE LIMITATION	Generally limited to applicants under age 44.	None
MAL-PRACTICE COVERAGE	Section 224 (a) through (e) of the PHS Act provides malpractice protection to Federal employees as long as the basis of the malpractice action arises out of actions or activities performed in the course of Government duties.	
OTHER BENEFITS	- Commissary and PX privileges. - VA benefits after 181 days service - Soldiers and Sailors Relief Act Benefits - Multiple Insurance Opportunities: e.g., auto, homeowners - 2-year commitment fulfills Selective Service requirement. - Pays personal travel and shipment of household goods/personal belongings to and from service locations. (With minimum of 2 years continuous active duty service.)	- Pays for personal travel and shipment of household goods/personal belongings to initial assignment only. - Liberal continuing education benefits by individual programs.

11/12/81 CPOD

☆ U.S. GOVERNMENT PRINTING OFFICE: 1982-361-166:305